

ATTACHMENT A
Circular No. A-44
Revised

GUIDELINES FOR PREPARING THE MANAGEMENT IMPROVEMENT REPORT

1. Management effectiveness.

a. Definitions.

(1) Area. An area represents a priority problem or activity which has been selected for coverage under the program.

(2) Current year goal. An approved quantitative objective representing the desired performance to be achieved during the current fiscal year for a specific area.

(3) Performance evaluation. An appraisal of performance measurement data to ascertain exceptional accomplishments, identify shortfalls and their causative factors, isolate current and impending problems, and develop meaningful recommendations for further improvement.

(4) Performance indicator. A significant quantitative measurement of performance in the problem area which provides the best perspective of the total management effort being applied to the problem or activity.

(5) Performance measurement. The recording and comparing of current accomplishments against past experience and approved goals.

b. Reporting. Each agency will prepare a plan identifying the problem areas to be studied during the current year. In preparing the plan only the most urgent problem areas and activities need be selected for inclusion. For each area thus selected, appropriate performance indicators will be chosen which provide the basis for evaluating the overall status of the area being reviewed and for taking necessary corrective action.

(1) Performance goals. Goals will be established for each area selected for the current year. In addition, an optimum goal will be established for areas which require long-term management attention.

(2) Progress. A report on annual progress will include:

- The identification and scope of areas selected;
- Goals established;

- Performance achieved;
- A succinct performance evaluation covering achievements and problems; and
- Identification of corrective actions taken or planned.

(The initial report, due September 30, 1970, will include the name and scope of areas selected for study and related goals for fiscal year 1971 and a summary of any significant management improvement projects completed during fiscal year 1970.)

c. Instructions for preparing report. A form covering the above information will be prepared for each problem area designated by the agency for evaluation. The following instructions are provided for completing the form (see Exhibit 1):

(1) Submitted by. Enter the name of the agency preparing the report.

(2) Area. Enter the name of the appropriate area being studied.

(3) Fiscal year. Enter the current year.

(4) Period from/to. Enter the beginning and ending date of the fiscal period covered by the report.

(5) Performance measurement. This segment of the format will be used for: identifying the performance indicators selected for measuring management progress for the area; base period reference identification; recording of the base year and current year performance; and the approved goals applicable thereto. Each line used will be completed as follows for the columns identified below:

(a) Performance indicator. Enter performance indicator(s) chosen for the area.

(b) Base period reference identification. Enter in the first column the base period reference identification applicable to the performance indicator being reported. The base period reference identification is included on the reporting format: i.e., A - Preceding fiscal year (cumulative annual results) and B - June 30 of preceding fiscal year (performance level or status as of June 30).

(c) Base year. Enter base period performance data in accordance with the base period reference identification selected.

(d) Past year. Enter past year performance data reflecting management progress for the past fiscal reporting period.

(c) Goals. Under past year, enter the performance goal established last year and under current year enter the performance goal planned for this year.

(6) Performance evaluation. Provide a concise summary evaluation of results by comparing actual performance against past experience and approved goals for each performance indicator. When appropriate, cite specific actions which have contributed to improved performance in order that other agencies might benefit from the experience gained. Provide an analysis of shortfalls and indicate corrective actions initiated or required, including a target date for completion or return to the desired performance level.

2. Cost reduction.

a. Definitions.

(1) New management actions -- those internally conceived procedures, policies, innovations, or decisions which, when applied for the first time, reduce the cost of a specific function or increase revenue or fund availability. A new action is one that has never been applied before by the reporting activity. It may have been applied elsewhere in the overall parent organization but must not previously have been applied by the activity or organization reporting the cost reduction.

(2) Improved management actions -- those changes both in substance and emphasis, with respect to existing procedures, policies, and techniques, which reduce the cost of a specific function or increase revenue or fund availability. Actions which have been previously applied but which have been revised, changed, emphasized or otherwise improved are included in this classification.

(3) Past year -- the fiscal year being reported upon.

(4) Current year -- the fiscal year in progress at the time the annual report is submitted.

(5) Budget year -- the fiscal year following the current year.

(6) Offsetting costs -- all costs incurred as a result of implementing a particular management action, including costs incurred in areas other than where savings are reported.

(7) Cost reduction goal -- a total monetary objective for the effect of cost reduction actions to be taken during the current year.

b. Reporting.

(1) Annual goal. This section of the annual report will contain the approved For Release 2001/08/21 : CIA-RDP78-04493A000100030010-8 by the agency.

(2) Annual progress reporting. This section will cover the results of actions taken during the past fiscal year. It will show cost reduction actions taken during the past year toward reaching the overall cost reduction goal and resulting monetary savings. It will also contain a narrative statement and a summary recap of progress against the overall goal and any subgoals established by the agency.

(3) Narrative statement. This section will contain items such as the following:

- General summary comments and analysis of accomplishments in relation to the overall goal and to any subgoals established.
- Specific actions taken during the year which assisted in the achievement of the goal.
- Progress on employee increased productivity and efficiency programs.
- Reductions in manpower requirements which resulted from cost reduction actions being reported.
- The identification of any problems in accomplishing the goals which require the assistance of the Bureau of the Budget, the President, other departments and agencies, and new or revised legislation.

(4) Summary recap of savings. This section of the report will contain the following data as a minimum:

- A brief description of each area (program, project, activity, etc.) for which a goal was established.
- The monetary savings goal which was assigned.
- The estimated budgetary effect in the current and budget year as a result of cost reduction actions taken in the past fiscal year and summarized by major organizational units.
- The monetary savings actually achieved during the past fiscal year.
- Proposed disposition of anticipated savings using the categories in paragraph 4.f.
- A summary of past-year reductions in authorized positions resulting from cost reduction actions covered by the report.

Attachment